

Message Text

CONFIDENTIAL

PAGE 01 STATE 073529

70

ORIGIN EUR-25

INFO OCT-01 ISO-00 INRE-00 NSCE-00 SSO-00 SAJ-01 TRSE-00

EB-11 OMB-01 COME-00 ACDA-19 USIE-00 CIAE-00 DODE-00

PM-07 H-03 INR-10 L-03 NSAE-00 NSC-07 PA-04 RSC-01

PRS-01 SP-03 SS-20 /117 R

DRAFTED BY EUR/CE: H WILGIS
APPROVED BY EUR - MR. HARTMAN
EUR/CE - S GEORGE
OSD/ISA - F ACKERSON
TREASURY - G NENSEL
L/PM - J MICHEL
EB/IFD/OMA - J CHEATHAM
PM/ISP - J GRAHAM
NSC - B HUBERMAN
S/S - O:GTWOHIE

----- 038823

O 110236Z APR 74
FM SECSTATE WASHDC
TO AMEMBASSY BONN IMMEDIATE
INFO USMISSION NATO IMMEDIATE

C O N F I D E N T I A L STATE 073529

E.O. 11652: GDS
TAGS: EFIN, GW
SUBJ: OFFSET
REF: BONN 5800, 5806, 5807

1. DEPARTMENT, TREASURY AND DOD APPRECIATE EFFORT EMBASSY
HAS MADE TO CONCLUDE SUCCESSFULLY EXPERT TALKS WITH FRG.
WE BELIEVE SUBSTANTIAL PROGRESS HAS BEEN MADE TOWARD EARLY
INITIALING OF AGREEMENT. HOWEVER, WE STILL HAVE SOME SPE-
CIFIC COMMENTS, AS GIVEN BELOW, WHICH NEED RESOLUTION BEFORE
WE CAN PROCEED TO INITIALING.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 073529

2. EMBASSY SHOULD INFORM FRG OF ABOVE AND ASSURE GERMANS

AT LEVEL EMBASSY THINKS APPROPRIATE OF OUR CONVICTION THAT EXPERT TALKS ARE PROGRESSING WELL AND WILL BE SUCCESSFUL. WE ARE NOT FAR APART ON MAJOR ISSUES. AS SOON AS WE HAVE AN AGREED TEXT, WE WILL WORK CLOSELY ON ARRANGING INITIALING AND SIGNING. WE LEAVE TO EMBASSY'S DISCRETION WHETHER OUR COMMENTS SHOULD BE GIVEN FRG APRIL 11 OR AFTER EASTER BREAK.

3. BEGIN FYI: DEPENDING ON RESOLUTION OF FEW REMAINING ISSUES, WE EXPECT WE CAN INITIAL IN NEAR FUTURE, BUT WANT TO WAIT FOR FINAL AGREED TEXT BEFORE WE AUTHORIZE EMBASSY TO INITIAL. WE ARE CONCERNED ABOUT POSSIBILITY OF PREMA-

TURE PRESS REPORTS RE CONCLUSION OF AGREEMENT AND WANT TO AVOID ANY PRESS LEAKS ABOUT PROGRESS MADE IN EXPERT TALKS. WE THINK IT IS CRUCIAL TO BRIEF CONGRESS PRIOR TO CONCLUSION OF AGREEMENT SO THAT CONGRESSIONAL ACCEPTANCE OF AGREEMENT IN CONTEXT OF JACKSON-NUNN WILL BE ENHANCED. CONGRESS IS RECESSED UNTIL APRIL 22. END FYI.

4. OUR SPECIFIC COMMENTS ON TEXT ARE AS FOLLOWS;

ARTICLE ONE: ACCEPT.

ARTICLE TWO; ACCEPT.

ARTICLE THREE: TAKE OUT PHRASE QUOTE FOR THE PERIOD END QUOTE FROM BOTH PARAGRAPHS A AND B. THIS CHANGE IS DESIGNED TO ELIMINATE ANY IMPLICATION THAT THE FRG IS NOT GOING TO PAY FOR THE PERIOD PRIOR TO THE PERIOD COVERED BY THE AGREEMENT.

ARTICLE FOUR: ACCEPT.

ARTICLE FIVE: ACCEP.

ARTICLE SIX: CHANGE PARAGRAPH A TO READ QUOTE IT IS THE INTENT OF THE FEDERAL REPUBLIC OF GERMANY TO DIVIDE EQUALLY BETWEEN THE TWO PERIODS JULY 1, 1973 - JUNE 30, 1974 AND JULY 1, 1974 - JUNE 30, 1975, THE PAYMENTS DUE UNDER EACH OF THE ARTICLES ONE THROUGH FIVE OF THIS AGREEMENT. PAY-
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 073529

MENTS OF THE AMOUNTS SPECIFIED IN EACH OF THE ARTICLES ONE THROUGH FOUR OF THIS AGREEMENT SHALL BE MADE THROUGH THE UTILIZATION OF GERMAN FUNDS NOT ON DEPOSIT WITH THE UNITED STATES TREASURY AS OF JUNE 30, 1973. END QUOTE.

PROTOCOL; CHANGE NOTE RE ARTICLE SIX TO READ QUOTE THE PAYMENT ACCORDING TO ARTICLE 4 (A) WILL BE MADE IN JANUARY 1975. THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY

WILL COMPENSATE SHORTFALLS IN PAYMENTS OR OBLIGATIONS SPECIFIED IN ARTICLES 2 THROUGH 4 UNDER THE PROVISIONS OF ARTICLE 6 (A) THROUGH PROCUREMENT PAYMENTS PROVIDED FOR IN ARTICLE 1 OF THIS AGREEMENT. THE BUNDESBANK WILL INVEST DM 1125 MILLION AS SPECIFIED UNDER ARTICLE 5 BY JUNE 30, 1974. THE EXCESS PAYMENTS UNDER THE LAST OFFSET AGREEMENT WILL NOT BE USED FOR THIS PURPOSE. END QUOTE.

5. BEGIN FYI: WE ACCEPT RETENTION OF PARAGRAPH 1 OF THE PROTOCOL NOTE ON ARTICLE 3 IN THE PROTOCOL ON THE ASSUMPTION THAT BOTH THE MINUTE AND PROTOCOL WILL BE SIGNED AS USG-FRG AGREEMENTS IN ACCORDANCE WITH PAST PRACTICE. END FYI.

6. WE PREFER THAT TEXTS OF BOTH MINUTE AND PROTOCOL BE MADE PUBLIC FOLLOWING SIGNATURE. EMBASSY REQUESTED TO ATTEMPT TO OBTAIN FRG ASSENT TO CONCLUDING OFFSET AGREEMENT IN UNCLASSIFIED FORM. WE WILL MAINTAIN CONFIDENTIALITY OF AGREEMENT PENDING FRG CONCURRENCE IN ITS PUBLICATION.

KISSINGER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENT DRAFT, AGREEMENTS, CONSULTANTS, DEBT REPAYMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 11 APR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: BoyleJA
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE073529
Document Source: CORE
Document Unique ID: 00
Drafter: H WILGIS
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740083-0268
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740448/aaaabrdd.tel
Line Count: 135
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: BONN 5800, 5806, 5807
Review Action: RELEASED, APPROVED
Review Authority: BoyleJA
Review Comment: n/a
Review Content Flags:
Review Date: 07 MAY 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07 MAY 2002 by elyme>; APPROVED <26 MAR 2003 by BoyleJA>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: OFFSET
TAGS: EFIN, GE, US
To: BONN
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005